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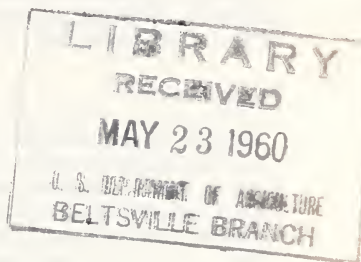
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Agricultural Situation

MAY 1960
VOL. 44, No. 5

Agricultural Marketing Service
U.S. Department of Agriculture



PICTURE LOOKS BRIGHTER FOR 1960

The outlook for agriculture in 1960 now appears somewhat brighter than it did last fall. The index of prices received by farmers increased 5 percent between mid-December and mid-March, primarily due to higher prices for hogs, cattle, broilers, and eggs. Prices during the rest of 1960 will probably average the same or even somewhat better than they did in the same period of 1959.

If growing conditions are about average or better, cash receipts may be

about the same in 1960 as last year. Farm production costs, which have been relatively stable in recent months, are likely to average a little higher than in 1959. As a result, realized net income of farm operators may be down slightly from the \$11 billion realized in 1959.

With the number of farm families continuing to decline, along with rising nonfarm job opportunities, per capita net income of farm people from all



1960—Continued

sources could well equal the \$960 of 1959.

The main factors affecting the price and income outlook for the rest of the year are: (1) A heavy total supply situation with particularly burdensome surpluses of some crops, but with reduced hog and egg production likely in the last half; (2) a strong and growing demand for food and other farm products as our population and economy expands; and (3) continued high exports of U.S. farm products.

Production

On March 1 farmers intended to plant a slightly smaller total acreage than in 1959. Acreage allotments for cotton are slightly larger, with planned acreages of feed grains and spring wheat a little lower than in 1959. Acreage of corn and grain sorghum is expected to be about the same as last year.

The level of crop production in 1960 will, of course, be mostly determined by the weather during the coming growing and harvesting seasons. So far this year, moisture conditions have been better than last year, and there is an underlying uptrend in yields, reflecting advancing crop technology.

Carryover stocks of wheat and corn at the beginning of the 1960 season are likely to be at record highs with little prospect for reduction in the next marketing year. Stocks of cotton, while down in recent years, are still large.

Per capita red meat supplies this year may be slightly below 1959 as a result of smaller pork production. Cattle marketings—despite the buildup of herds during the past 2 years—for the rest of the year are expected to increase

only moderately. But in some future period the buildup in cattle numbers could bring some difficult marketing problems.

Hog marketings later this year will be reduced considerably from 1959 levels, reflecting the 10 to 12 percent cutback in the spring pig crop indicated in recent surveys.

The number of layers on farms on April 1 was 4 percent below a year earlier. Hatchings so far this year are down sharply, indicating that marketings of eggs in the rest of 1960 will continue below a year earlier. Broiler output will be close to a year ago in contrast to substantial increases in other recent years.

Economic growth has resumed following the settlement of the steel strike last fall. The flow of income to consumers in the first quarter of 1960 was about 6 percent larger than a year earlier, with per capita purchasing power up about 2 percent.

The demand for food has strengthened. A continued rise in consumer income and the demand for food is indicated for the rest of this year.

Businessmen plan to spend about 14 percent more on new plant and equipment according to recent surveys.

Exports

The value of our exports of farm products in the fiscal year ending June 30, 1960, is estimated at \$4.5 billion, about a fifth above 1958-59. Most of the increase is due to a doubling in cotton exports as well as more moderate increases in exports of wheat, rice, feed grains, and fats and oils. For all of 1960, exports of U.S. farm products are expected to about equal the 1957 record and be about 14 percent above 1959.

Daniel W. Burch
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The Agricultural Situation is sent free to crop, livestock, and price reporters in connection with their reporting work.

The *Agricultural Situation* is a monthly publication of the Agricultural Marketing Service, United States Department of Agriculture, Washington, D.C. The printing of this publication has been approved by the Bureau of the Budget (January 8, 1959). Single copy 5 cents, subscription price 50 cents a year, foreign \$1, payable in check or money order to the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C.

SIGN UP EARLY FOR SERVICES

Classing and Market News Under the Smith-Doxey Act

Cotton farmers who begin now to prepare to market their crop this fall may be looking a long way ahead. But they need to, according to officials of the Agricultural Marketing Service's Cotton Division. There is much to do in carrying out the Smith-Doxey program that can help farmers get more for their cotton.

To get the services under this program a cotton farmer must belong to a cotton improvement group. Most of the cotton farmers belong to one of these groups for in 1959 about 13.7 million bales of cotton were classed, which is close to 95 percent of the crop. This was the largest number of bales of cotton classed in any one year under this program—also the largest proportion of the crop.

Farmers who do not belong to any improvement group likely can find one nearby by asking their county agricultural agent. If farmers want to form an improvement group, the county agent will help them.

One of the reasons that it is to the advantage of the cotton farmer to sign up now is that necessary preparations can be made for sampling each bale of cotton. The first step is to select a sampler. The sampler must either be bonded or an employee of a public warehouse which issues negotiable warehouse receipts.

The sampling job must be carefully done so that the cotton sent to the classing office is truly representative of the bale from which it came. Samples must be cut from both sides of each bale or be drawn by an approved automatic sampler and submitted by a bonded sampler.

The Cotton Division has set a deadline of August 1 for the submission of applications in all cotton-producing areas, except southern Texas. Applications from the Texas area must be filed by June 1. This area includes the counties of Dimmit, LaSalle, McMullen, Live Oak, Karnes, DeWitt, Jackson, and Matagorda and all counties south of them.

Samples that are taken from each bale of cotton are put in a cotton sack and sent to a classing office. There the classers will determine what grade it is. If necessary they may compare it with an official grade box of Universal Cotton Standards approved in Washington in May 1959.

The staple or length of the cotton is determined at the same time as its grade. When this is done the green card that is so familiar to cotton farmers is stamped to show the grade and staple of the sample and is then promptly mailed to the farmer.

The cotton farmer then knows what he has to sell. The next service that he will receive under the program is market news. Information on what different grades and staples of cotton are selling for is reported weekly. These reports are furnished to the improvement groups, gins, and often to cotton farmers themselves. From them the cotton farmer can determine what his cotton has been selling for.

With that complete information in his possession the cotton farmer then is ready to shop around to see where he can get the best price for his cotton.

So, the cotton farmer may be able to make some money by signing up early in a cotton improvement group and participating in the Smith-Doxey program.



IT LOOKS LIKE A RECORD YEAR FOR PEANUT CONSUMPTION

Total consumption of shelled peanuts for edible uses is running at a record level so far this marketing year—slightly above 1958-59. But the consumption rate for the year probably will average about 4.5 pounds per person, about the same as the previous year and the postwar average.

In most postwar years when supplies of peanuts were plentiful, civilians consumed about 4.5 pounds per capita (shelled basis). This level of consumption is about the same as in 1937-41.

This year each of us will consume an average of about 2 pounds of shelled peanuts in the form of peanut butter, 1 pound as salted peanuts, 0.8 pound in peanut candy and 0.2 pound in peanut butter sandwiches and other products. About one-half pound per person is consumed as roasted peanuts (the ballpark type).

Last year's peanut crop was smaller than 1958's and contained a higher percentage of damaged nuts. Nevertheless, it still provided more peanuts than we needed for food and farm uses. CCC likely will acquire about 15 percent of the crop. Loans on 1959 crop peanuts mature at the end of May or earlier on demand by CCC.

Total supply of farmers' stock peanuts in this marketing year is placed at 2 billion pounds, about 4 percent less than in 1958-59. Carryover stocks on August 1, 1959, were 45 percent higher than a year earlier—almost enough to offset the 13 percent drop in the 1959 crop.

The supply was sufficient to hold prices to farmers at support levels in the three major production areas. The 1959-60 U.S. season average price received by farmers is estimated to be 9.5 cents a pound, 1.1 cents less than a year earlier, reflecting the 10 percent cut in the 1959 support price. Farm prices have dropped sharply since the 1954 crop year when producers received an average of 12.2 cents a pound.

Lower prices to peanut growers in recent years have not been reflected in the price of peanut products purchased by consumers. For example, the average retail price of peanut butter increased from 49 cents a pound in 1954 to about 56 cents a pound in 1959, a rise of 14 percent. During this same period the price received by peanut producers dropped 22 percent. These shifts in price relationships have had little effect on the per capita consumption rate.

The prospective acreage of peanuts for 1960 is 1.6 million, about 2.5 percent less than that planted last year. Peanuts are under controls and the national acreage allotment for 1960 of 1.6 million is the minimum permitted under existing legislation.

Virginia-Carolina producers plan to plant the same acreage as in 1959, but prospective acreage is lower in Southeastern and Southwestern producing areas. The reduction is due to additional farms in the Conservation Reserve Program and to smaller plantings for hogging off and for uses other than producing and threshing for nuts.

If growing conditions are average, the 1960 peanut crop probably will result in a moderate surplus above food and farm uses. Prices to farmers probably will average near the loan level. The loan value is the support price less about half a cent for charges for storage, inspection, grading, and the expenses of marketing the peanuts cooperatively.

The 1960 crop peanuts will be supported at not less than a national average level of 10 cents a pound. The 1959 crop was supported at 9.7 cents a pound. The 1960 rate will not be reduced, but may be increased at the beginning of this marketing year (August 1, 1960) if at that time a higher support price is required under existing legislation. Principal provisions of the 1960 program are similar to those in effect for the 1959 crop.

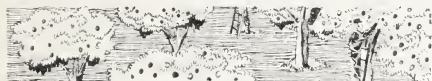
George W. Kromer
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OUTLOOK

Potatoes

Supplies of potatoes available for the spring as a whole probably will be a little smaller than last spring. Stocks of fall crop potatoes on March 1 amounted to 56 million hundred-weight, 6 million less than March 1, 1959. Production of potatoes for early spring harvest is expected to be up about 9 percent. Also, indicated acreage for late spring harvest is up 11 percent from last year.



Fruit

Continued strong consumer demand for fruits is in prospect for this spring and summer. Supplies of most fresh fruits, until fruit from the 1960 deciduous crop becomes available in late spring, are expected to continue lighter than in the spring of 1959. But supplies of most processed fruits from the generally increased 1959 packs probably will continue heavier.

Cotton

Market prices for cotton have been stable in recent months, but below a year earlier. Exports of cotton during February totaled about 839,000 running bales, the largest for any February since 1932. The total for the first 7 months of the 1959-60 marketing year was approximately 4 million bales. This compares with about 1.6 million for the same period a year earlier. Registrations for exports under the payment-in-kind program during the 1959-60 marketing year were about 6.3

million bales as of April 15, 1960. Domestic mill consumption of cotton has been running at a rate of about 9 million bales for the 1959-60 marketing year. This will be an increase of about 300,000 bales over the 1958-59 season.

Wool

World production and consumption are approximately in balance and world prices can be expected to remain relatively firm and mostly unchanged during the next few months.

Vegetables

Production of commercial vegetables for the fresh market, which comprises about three-fourths of the spring tonnage, excluding melons, was estimated as of April 1 to be moderately smaller than that of last year, and slightly below the 1949-58 average.

Early reports indicate that canners will aim for a pack close to that of last year. The frozen pack probably will be somewhat larger than in 1959, continuing the growth in this industry.



Cattle

During the next few months, marketings of fed cattle will be large and prices are expected to ease off from present levels. Price declines may be similar to those of the past 2 years when fed steers declined \$1.00-1.50 per 100 pounds during April-July.



OUTLOOK

Continued

Slaughter of grass cattle this spring probably will not show much of a gain over last spring as the demand for cattle to put on feed (feeders) and on new grass (stockers) is expected to continue strong. Prices of these classes are probably near a seasonal high but will hold up well for several months.

Tobacco

Demand for cigarette and most cigar tobaccos is expected to be strong in the coming season. Cigarette output probably will reach a new high in 1960 and cigar and cigarillo output is likely to be the highest since the early 1920's.

Broilers

Broiler prices are likely to be sustained through the summer at levels at or above the 18.1 cent average of mid-March.



Eggs

Later this year the egg laying flock is likely to decline even further below last year because the low egg prices prior to March discouraged poultrymen and limited their sources of credit. A very pronounced seasonal egg price rise is likely in the summer and fall of 1960.

Hogs

Hog slaughter will decline seasonally in the months ahead and by mid-1960 will be considerably below year-earlier levels as the reduction in late fall and early spring pigs becomes evident at the market. Hog prices this summer will be sharply higher than last summer. Prices this fall will decline seasonally but will continue significantly above last fall.

Dairy

Prices to farmers for milk and butterfat in 1960 will be approximately the same as in the past 2 years. Price-support levels for the marketing year starting April 1 are unchanged from the preceding 2 years, and supplies of milk products promise to be large enough to make prices average near support levels.



Feed

Total supplies of feed grains and other concentrates may increase again in 1960-61 to a new record high, a little above the 1959-60 level, if early spring prospects materialize. Prices of feed grains and most of the byproducts feeds have advanced during the past month, but feed prices continue generally below those of a year earlier. With a favorable growing season this year and with reduced production of hogs and poultry in prospect, feed prices this summer and fall would be expected to continue a little lower than a year earlier. With another short supply of oats in prospect, oats prices may continue high in relation to corn and other feed grains in the 1960-61 season. Hay prices also will be influenced by prospects for a smaller total supply in 1960-61, though much will depend on the 1960 growing season.



Sheep

Sheep and lamb slaughter during the next few months will probably be near that of the first quarter, but a little larger than a year earlier. Some further rise is likely in prices to farmers for lambs this spring, but last year's price rise is not likely to be duplicated.

SLIGHT INCREASE SEEN IN WHEAT CARRYOVER

Our carryover of wheat on July 1 is expected to be slightly larger than it was in 1959 and a further increase appears likely by July 1, 1961. This would give us 3 years of increases in carryover, following 3 years of decreases.

Supplies of wheat in the 1959-60 marketing year total 2,415 million bushels. Domestic disappearance is estimated at about 620 million bushels and exports at 475 million. Exports, July through March, at about 350 million bushels, are about 27 million above the same months last season, when total exports for the year were 443 million bushels.

On the basis of estimated total disappearance, a carryover July 1, 1960, of about 1,320 million bushels is indicated, about 40 million bushels above the 1,279 million last July 1. An expected increase of about 91 million bushels in the carryover of hard red winter wheat and a possible slight increase in white wheat would more than offset declines of about 37 million bushels in hard red spring, about 9 million in soft red winter, and about 6 million in durum.

The 1960 winter wheat crop was estimated as of April 1 at 977 million bushels. The first estimate of spring wheat will be made June 10, but if growers carry out their seeding intentions, and if yields per seeded acre equal the 1955-59 average, a spring wheat crop of about 230 million bushels would be produced.

This, together with the estimated winter crop, would give us a total crop of about 1,210 million bushels. This crop would be the fifth largest of record, 7 percent above the 1,128 million-bushel crop in 1959, and 11 percent above the 1949-58 average of 1,092 million.

With a carryover of about 1,320 million bushels and small imports added to the projected production, total supplies of about 2,535 million bushels are indicated for 1960-61. With domestic disappearance estimated at about 625 million bushels and assuming exports the same as estimated for 1959-60, the carryover July 1, 1961, would be about 1,435 million bushels. This would be 115 million bushels above the estimated carryover for July 1, 1960.

Prices of winter wheat usually start their downward movement about mid-May, depending on the size of the old-crop "free" supply and timing of new-crop marketings. The low for winter wheat will probably be in late June or early July, as in recent years.

Spring wheat prices reach their low levels later than winter wheat, usually in late August. After the heavy movement slackens following harvest, prices to growers are expected to strengthen, reflecting the influence of the support program.

In 1959-60, the average price to growers, including an allowance for unredeemed loans and purchase agreement deliveries valued at the average rate, may be about the same as the \$1.75 average in 1958-59. Market prices have been higher for the 1959 crop but deliveries of support wheat are much less than from the record 1958 crop. Also, the support rate is one cent lower than a year ago.

With the likelihood that in 1960-61 large quantities of wheat will again be placed under the support program and that exports will continue large, prices may be expected to average at or above the effective support level, as they have in 1959-60.

Robert Post
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WHERE DOES YOUR STATE RANK IN LIVESTOCK NUMBERS?

Although there are several notable exceptions, livestock production is usually closely associated with the production of principal feeds. Meat animals follow this general rule better than other livestock. Cattle and sheep consume large quantities of roughages such as pasture, hay, stover, or silage. It is impractical to harvest and ship these bulky feeds very far. The principal foods for hogs and chickens are grain and other concentrate feeds, and unless there are offsetting lower costs elsewhere, production of these animals is concentrated near the food supply.

The accompanying charts show the States ranked according to the number of cattle or sheep on hand January 1 and the number of pigs saved. Inventories were used as a simple measure of the relative importance of each State although such a yardstick may overlook the number of young animals produced or the weight added to livestock on hand or purchased during the year. For this reason the number of pigs saved during the year is considered a better criterion of hog production than beginning inventories.

Texas is the leading State in the number of cattle and calves on hand and has been unchallenged for leadership since records began in 1867. On January 1 the 9¼ million cattle on farms made up over 9 percent of our Nation's cattle herd. Despite this, the North Central States make up the leading cattle region. It has many cattle on feed and large numbers of milk cattle, plus sizable beef breeding herds.

Because livestock production is geared so closely to crop production and pasture conditions, and these in turn vary considerably from year to year among States, we can expect short-time changes in livestock numbers by States. Moreover, longer-time trends such as a shift toward more intensive production will change the relative rankings. This is evidenced by the fact that although U.S. cattle numbers are record high, they are record high for only 19 States.

Beef Cattle

The relative importance of each State in the number of beef cattle on hand is shown in the top chart on page 9. Texas leads, followed by 4 of the North Central States—Iowa, Nebraska, Kansas, and Missouri.

Ten years ago the same 11 States topped the list in the number of beef cattle and calves on farms. However, during this time Iowa, Missouri, Oklahoma, Illinois, and California improved their relative standing. Beef cattle numbers have been expanding in most States, but gains in these 5 States have surpassed other States. Since 1949 Mississippi, the leading beef cattle State in the South, has jumped from 22d to 13th place nationally. Florida has moved up from 15th to 14th.

Sheep Numbers

Over the years sheep numbers by States have varied widely as new areas have moved into production and older areas declined when more profitable alternatives appeared.

Total stock sheep numbers reached a peak in 1884, nearly three-fourths more than we had January 1, 1960. At that time about 10 percent of our stock sheep were in the North Atlantic States. Today less than 2 percent are in these States. The 11 Western States now have 43 percent of our stock sheep compared with 35 percent in 1884.

The South Central States also gained in relative importance, due largely to the expansion of sheep raising in Texas. This January, 18 percent of our sheep and lamb flock was in Texas, the leading State. Iowa and Ohio were the only States outside of the Western Sheep States (11 Western States plus Texas and South Dakota) to be among the 10 leaders. The remaining 35 States are called Native Sheep States. Numbers in these States declined slightly during 1959 after 5 consecutive years increase.

No new State has entered the charmed top-10 circle in the last 10

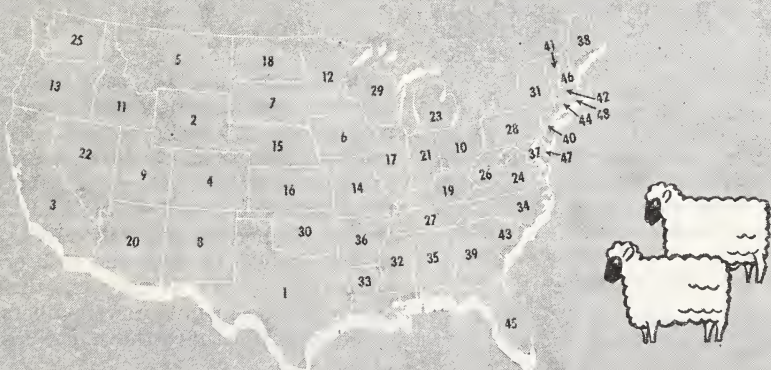
RANK OF STATES IN LIVESTOCK NUMBERS



BEEF CATTLE



Number of PIGS Saved

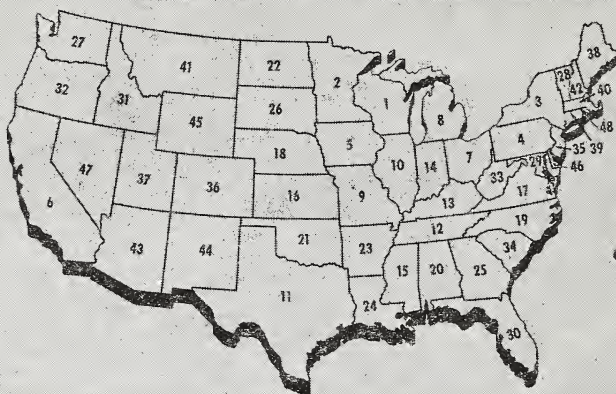


SHEEP and LAMBS

7770-6014) AHS, USDA

RANK OF STATES IN MILK COW NUMBERS

Milk Cows Two Years Old and Older



7720-63(4) AMS, USDA

Ranking—Continued

years but Iowa has moved from 10th to 6th. Ohio was the 8th ranking State in sheep and lamb numbers in 1950, moved up to 7th in 1955—one place ahead of Iowa that year—and back to 10th last January.

Pigs Saved

The North Central region really shines in hog production. In 1959, 3 out of every 4 pigs saved were accounted for in this area. Iowa heads a group of 8 North Central States in the ranking. Georgia is in 9th place. The close association of corn and hog raising accounts for the concentration of hog production in the Corn Belt. During the short corn crops of the 1930's the South was at its highest importance, but never produced more than 26 percent of our hogs.

Iowa has led all other States in the number of pigs saved in every year back to 1930, the year annual records begin. The top 10 States in pigs saved last year were the same as in 1950 and ranked in the same order, with 2 exceptions. By 1959 Missouri had moved ahead of Indiana and Georgia ahead of South Dakota.

Milk Cows

A ranking of States in the number of beef cattle on hand differs somewhat

from the ranking shown for all cattle and calves because of the number of dairy animals. The relative importance by States in milk cow numbers is pictured on this page.

Wisconsin and Minnesota lead in milk cow numbers and are in the 10 leading States for total cattle and calves. However, Wisconsin ranks 31st and Minnesota 12th in the number of beef cattle and calves on hand. The importance of dairying is even more striking in New York, the No. 3 State in milk cows. On January 1, 63 percent of the cattle inventory was comprised of milk cows. Pennsylvania, Ohio, and Michigan also rank in the top 10 in milk cow numbers but not among the leaders in total cattle.

Decline

During the past 10 years U.S. milk cow numbers have decreased from 23.9 million to 21 million head. State numbers have generally declined among the leading States. However, numbers have gained in Pennsylvania and California. Pennsylvania climbed from 8th in 1950 to 4th in 1960 and California from 11th to 6th. At the same time, a sharp decline in milk cow numbers in Texas dropped that State from 5th to 11th.

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ARE YOU UP ON PRICE SUPPORTS FOR TOBACCO?

A couple of months ago, Congress passed and President Eisenhower approved new legislation that provides an entirely different method of determining price supports for all kinds of tobacco eligible for support.

Previously, supports for flue-cured, burley, Maryland, and most cigar tobaccos had to be maintained at 90 percent of the parity prices unless marketing quotas were not approved by growers. For many years, supports for fire-cured, dark air-cured, and sun-cured tobaccos were set at fixed percentages of the burley support level. Another basis for setting these support levels was provided in 1957, but that too is superseded by the recent legislation.

Under the new legislation, starting with the 1961 crops, supports will no longer be linked directly to the parity prices of the various kinds of tobaccos. But the parity index—the index of prices paid by farmers, including interest, taxes, and wage rates—will play a part in determining support levels.

Supports for 1960 Crops

The new legislation calls for price supports in 1960 to be set at the same levels as in 1959. For flue-cured this means 55.5 cents a pound and for burley 57.2 cents a pound. The support level represents an overall average. At the auction markets support prices are set for a large number of individual grades and cover a broad range.

The 1959 Maryland tobacco crop is not being supported, but the 1960 crop will be at 50.8 cents a pound. Less than the legally required percentage of growers voted in favor of quotas on the 1959 Maryland crop—without a quota a price support could not be offered on the 1959 crop. But quotas were ap-

proved for the 1960, 1961, and 1962 crops.

The 1960 price supports for fire-cured tobacco at 38.8 cents a pound and for dark air-cured and sun-cured at 34.5 cents are the same as in each of the last 3 years. The 1960 supports for the eligible cigar tobacco types range from 26.5 to 39.6 cents a pound.

1961 and Subsequent Years

How will support prices for 1961 and subsequent crops be set? Price support levels will be adjusted in accordance with the change between the 1959 parity index and the average of the parity indexes for the 3 calendar years just preceding the year for which the support level is being determined. The price support levels for 1961 crops of tobacco will be calculated from the following:

- (a) The support level for 1959
- (b) The parity index for 1959
- (c) The average of the parity indexes for 1958, 1959, and 1960.

Dividing (c) by (b) will give a factor which when multiplied by (a) will give the 1961 support level.

When the 1962 crop support levels are determined the 3-year average in (c) will move forward 1 year—1958 will be dropped and 1961 added.

In effect, under the new legislation 1959 becomes the base year from which adjustments in price support levels will be calculated. How much supports will increase or decrease after 1960 will depend on the difference between the 1959 parity index and the moving 3-year average of the parity index. The parity index is the index of prices paid

(Continued on page 14)



OUR DAIRY COWS ARE CONSUMING MORE FEED

During the past 20 years there have been some major changes in the feeding of dairy cows. Farmers today are feeding about 60 percent more grain and other concentrates per cow and getting much larger production of milk from their cows than they did 20 years ago. They have reduced the number of dairy cows about 14 percent since 1940, but they are feeding these fewer cows about a third more grain and other concentrates.

Tonnage

The total tonnage fed increased from 15 million tons in 1940 to nearly 20 million tons in 1959. This total includes the commercially mixed feeds and grains and byproduct feeds fed as such or mixed on the farm.

Much of the increase in the total tonnage fed occurred during World War II. Dairymen boosted their total feeding from 15 million tons in 1940 to 19 million in 1945. This increase was due to an increase during the war, in the number of dairy cows which reached a record high in 1945, as well as increased feeding per cow.

Since 1945 there has been only a moderate increase in the total tonnage of grains and other concentrates fed. The rate of feeding per cow has increased steadily, reaching a record of 2,050 pounds in 1959. But this has been offset in part by the decline in the number of cows on farms.

The higher rate of feeding per cow is due to a number of factors. The most important appears to be increased emphasis on obtaining a high rate of production of milk per cow. Increased output of milk per cow requires heavier feeding of grains and other concentrates relative to the quantities of hay and other forages consumed.

Milk production per cow has increased steadily since the mid-1930's when the average cow produced only a little over 4,000 pounds a year. The output per cow reached 5,000 pounds in 1947, 6,000 pounds in 1956, and a record 6,438 pounds in 1959.

Higher production per cow has required more feed per 100 pounds of milk produced. The rate of feeding reached a record high of 31.6 pounds per 100 pounds of milk in 1959. This was only slightly higher than in other recent years, but 15 percent higher than in 1940.

Declining feed prices in recent years have encouraged dairymen to feed their cows liberally. In 1959, one pound of milk was equal in value to 1.42 pounds of feed. One pound of butterfat was equal to 24.7 pounds of feed. Prices received for milk and butterfat would buy about 10 percent more feed in 1959 than the 1949-58 average.

Pasture conditions also influence, to some extent, the annual rate of feeding of grains and other concentrates, but their influence appears to be less important than the other factors discussed above. Feed from pasture has an important bearing on seasonal changes in the rate of feeding during the year. It has more effect on feeding rates during certain periods of the year than is indicated by the yearly rates of feeding.

This Year

Feeding of dairy cows in 1960 is expected to continue the upward trend of recent years. Relatively low feed prices, compared with prices of milk and butterfat, will encourage dairymen to continue to feed above average quantities of grain per head.



On April 1, the rate of feeding per cow averaged 7.89 pounds. This was 6 percent more than fed a year earlier and a fifth above the 1949-58 average.

The composition of the total grains and concentrates fed to dairy cows has not changed materially during the past 5 years. During this period, grains fed as such or mixed on the farm have made up nearly 60 percent of the total. Commercially mixed feeds made up 28 to 30 percent of the total and byproduct feeds and other feeds around 10 to 12 percent.

In 1959 corn made up about a third of the total of all grains and concentrates fed, and oats a little over a fifth. Barley and wheat together totaled less than 4 percent. Altogether these four grains made up 59 percent of the total. Commercially mixed feeds made up another 28.5 percent. The remaining 12.5 percent was largely byproduct feeds, including 4 percent oil seed meals and 3 percent wheat mill feeds.

Commercially mixed feeds have held a comparatively stable share of the total quantity of feed grains and other concentrates fed to dairy cows in recent years. The quantity of mixed feed fed increased rather sharply during World War II, and has ranged from 25 to 30 percent of the total since 1945. Prior to World War II, less than 20 percent of the feed concentrates fed to dairy cows was commercially mixed.

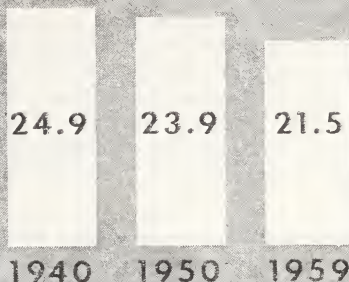
The proportion of commercially mixed dairy feeds to total concentrates fed varies greatly by regions. In the Western States about 62 percent of the feed concentrates fed are commercially mixed and in the North Atlantic region about 57 percent. A little less than 40 percent of the feed is commercially mixed in the Southern States.

In the mid-western States farmers depend much more on home grown or locally grown feeds than in other areas of the country. In the West North Central region only 11 percent of the feed was commercially mixed and in the East North Central region only 6 percent.

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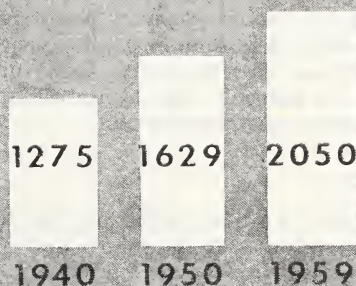
MILK COW NUMBERS ARE DOWN.....

(millions)



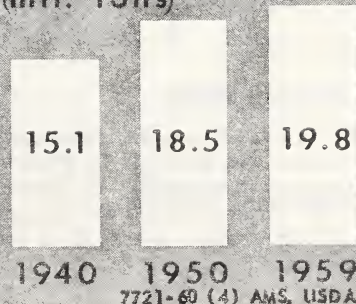
BUT FEED FED PER COW IS UP.....

(pounds)



AND TOTAL FEED FED TO MILK COWS IS UP.

(mil. tons)



Tobacco—Continued

by farmers, including interest, taxes, and wage rates.

For most kinds of tobacco, growers vote every third year on whether they favor marketing quotas on their next three crops. If more than a third of the growers voting in a referendum are opposed, neither a quota nor price support will be in effect for the next crop. When this happens, growers vote again about a year later on whether quotas should be in effect on the next three crops.

When quotas are voted they stay in effect on three successive crops, although the size of the quota and acreage allotted may be changed from year to year.

In recent years, the parity prices of flue-cured and burley tobaccos have risen substantially. Consequently, support levels had to be raised by about the same percentages. From 1957 to 1959 the flue-cured parity price (as of the dates determining price supports) rose 9 percent; the burley parity price rose 11 percent. By April 1960 they advanced another 4 percent.

Future

Under the new legislation, the support levels in 1961 and subsequent years are expected to change more gradually. The averaging of the parity index for 3 years will have a moderating effect on year-to-year adjustments. Future changes in supports will be the same percentage-wise regardless of the kind of tobacco.

Arthur G. Conover
Agricultural Economics Division

The Farmer's Share

The farmer's share of the consumer's food dollar was 38 cents in February, the same as in January. In February 1959, the farmer's share was 39 cents. The farmer's share averaged 38 cents in 1959.

Cattle On Feed Continue At High Level

On April 1, cattle feeders had a total of about 6.7 million cattle and calves on feed for market in 26 States. Feeders in these same States had 7.2 million head on feed January 1, 1960, and 5 million head on feed October 1, 1959.

In 21 of the States for which comparable data are available, a total of 6.4 million head were on feed April 1, compared with 5.9 million head a year earlier—an 8 percent increase.

Marketings and Placements

Fed cattle marketings from the 21 States during the period January through March this year totaled 3.1 million head, 9 percent above the number marketed during the same period in 1959.

Cattle and calves placed on feed in the 21 States during the first quarter of 1960 totaled 2.7 million head, 6 percent more than during the same period in 1959.

Weight Groups

A breakdown by weight groups of the April 1 numbers on feed in the 21 States indicates an increase in all groups except the 500- to 699-pound group which was down 3 percent from a year earlier. The group weighing less than 500 pounds totaled 453,000 head on April 1, compared with 393,000 head a year earlier; the 500 to 699 pound group totaled 2.1 million head, down 64,000 head; and the 700- to 899-pound group totaled 1.9 million head, up 299,000 head. The number weighing over 900 pounds totaled 1.9 million head—up 167,000 head.

Cattle feeders in 21 States expect to market 53 percent—3.4 million head—of the April 1 inventory during April, May, and June. If intentions are carried out, marketings during the second quarter would be 19 percent above the number marketed from the April 1 inventory during April, May, and June 1959.

E. B. Hannawald
Agricultural Estimates Division, AMS

"Bert" Newell's

Letter

You know what? We have a new grandson. He is William Newell Schultz and he lives in Denver. We haven't seen him yet, but from the snapshots and what his father and mother tell us he's quite a boy—8 pounds and 14 ounces. They say his little sister Julie, 18 months, thinks he is quite a nice toy.

That's the latest news from around our house. Here at the office things are moving along about as usual for a new crop year. When I say "as usual," it sounds a little like we might be in a sort of routine, but actually in this business there is no such word. While one year may have a good many similarities with some previous year, actually no two are exactly alike—which means that we have to keep on our toes all the time in order to appraise the variations that have a bearing on the current situation.

Just take the present season, for example. A great deal of the country didn't have very much winter until along in February. Then a succession of storms and heavy snow hung on longer than usual. Spring work was delayed and, in fact, we have had a great many inquiries about what has happened since the March intentions report came out. A lot of people have been wondering about the planting of oats, and from the information we have gathered for our weekly weather crop report it would appear that a good many farmers may have to change their plans from what they told us they intended to do back on March 1. Of course we will not know for sure until we get the results of the July 1 acreage report. I hope everyone will make a special effort to send this in as promptly as possible because we are going to need all the help we can get on what the real situation is.

It is always in situations of considerable uncertainty such as we have this

year that requests for additional reports—that is reports in between the regularly scheduled releases—become the most insistent. This is natural, of course, because uncertainty is one of the biggest risks in this whole business of agricultural production and marketing, and to the extent that this uncertainty can be eliminated or relieved, everyone is benefited.

From my observation (and I think I get a pretty good, broad picture), farmers and other businessmen—everybody is depending more and more on crop reports, market news reports, the agricultural situation releases, and all of the informational services provided through the Agricultural Marketing Service to guide them in their operational decisions. A decision can be only as good as the basic facts on which it is based, and a wrong decision can be extremely costly to everybody. While you may think of your operation as a very small part of this whole, big agricultural enterprise, when combined with several thousands of other individual reports, the combined information contributes materially in keeping the whole machine running smoothly. In other words, in our book you are "Mr. Big" and are performing a most valuable service for yourselves, the community, and the Nation. We thank you for your help.

Well, now, I am just anxious to get out and see the new citizen of Colorado. It's a long way from here, but I hope sometime in the not too distant future it will be possible for me to get by and visit with him and some of his other fellow citizens.



S. R. Newell
Chairman, Crop Reporting Board, AMS

May 1960

In This Issue

	Page
Picture Looks Brighter for 1960_	1
Mr. Cotton Producer: Sign Up Early for Services_	3
It Looks Like a Record Year for Peanut Consumption_	4
Outlook_	5
Slight Increase Seen in Wheat Carryover _	7
Where Does Your State Rank in Livestock Numbers?_	8
Are You Up on Price Supports for Tobacco?_	11
Our Dairy Cows Are Consuming More Feed_	12
Farmer's Share_	14
Cattle on Feed_	14
"Bert" Newell's Letter_	15

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 DEPARTMENT OF AGRICULTURE
 AGRICULTURAL MARKETING SERVICE
 WASHINGTON 25, D.C.
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